THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) Alcohol Based Chemical Industries have represented to the Government that they are under strain due to high price of molasses & alcohol prevailing in the market.

(b) Some State Governments have retained control over molasses and alcohol under existing State laws.

(c) The Government have reduced import duty on denatured alcohol required for industrial use from 105 per cent to 10 per cent to enable the industry to secure stocks at competitive international prices.

Gas Cracker Project in Assam

6867. DR. B. B. DUTTA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a Letter of Intent was issued on the 25th January, 1991 in favour of Assam Industrial Development Corporation (AIDC) for some gas cracker project;

(b) if so, the details thereof;

(c) whether the Assam Gas Cracker Project has since been launched;

(d) if so, the progress of the same as on the 25th April, 1994 and if no progress has been made, the reasons therefor;

(e) whether Government are aware that delay in implementation of the project is leading to cost escalation and receding the viability of the project;

(f) whether the circumstances referred to as envisaged in part (e) above will make it difficult for the AIDC to find a co-promoter, as envisaged in the scheme; and

(g) if so, the steps proposed to be taken to ensure speedy implementation of the project?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO); (a) to (b) Yes, Sir. A letter of intent was issued on 25-1-1991 in favour of AIDC for a gas cracker project of 300,000 TPA Ethylene capacity and the connected downstream products like HDPE, LLDPE, etc. The validity of the letter of intent has been extended upto the end of January, 1996.

(c) No, Sir.

(d) AIDC propose to implement the project in the assisted sector. As per the available information, they are still in the process of selecting the co-promoter for the project.

(e) Yes, Sir.

(f) and (g) Having regard to the locational and other disadvantages inherent in setting up a project in Assam and the other North-Eastern States, the Government of Assam has approached the Central Government for grant of certain fiscal concessions, and availability of gas for the cracker at a concessional price over a period of time. Taking into consideration the incentives asked for by the Government of Assam, AIDC has re-worked the other details in consultation with M/s. Engineers India Limited.

Effect of GATT Agreement on fertilizer subsidy

6868. HRI S. S. SURJEWALA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what will be the effect of GATT Agreement, popularly known as Dunkel Proposals, on the subsidy being currently given in fertilizers by Government of India and whether the subsidy is likely to be abolished/curtailed;

(b) whether the above agreement is going to adversely affect the interests of farmers in the country in the matter of fertilizer subsidy and price structure of fertilizers and pesticides; and